



# **COUNCILMEMBER DONNA FRYE**

## **CITY OF SAN DIEGO**

### **Press Release**

For Immediate Release  
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## **Council and Mayor Reach Compromise on Pension with Unions**

*New pension plan will be implemented in 2009*

**SAN DIEGO** –Councilmember Donna Frye joined Mayor Sanders, Council President Scott Peters and the heads of the city’s various labor unions today in announcing a compromise on a new pension plan for non-public safety city employees starting in 2009.

“After months of serious negotiations with the city’s labor unions we have finally come to an agreement that, over time, will save taxpayers nearly \$23 million annually,” commented Frye. “I am glad that throughout this process we were able *to* talk to each other and not just *at* each other, which allowed us to save an additional \$300,000 by not having to place this on the ballot.”

The plan encourages city workers to retire at age 60 instead of age 55. Employees pensions will also be capped at a maximum of 80% of their salary, which will be based on an average of the employees’ three highest years of pay, instead of simply their highest one year salary.

The compromise establishes a retiree medical trust that both the city and employees will contribute to equally. The new plan also establishes a defined contribution portion to the plan, which shifts some risk away from the city.

Councilmember Donna Frye is the City Councilmember for the Sixth Council District, which includes the communities of Clairemont, Kearny Mesa, Linda Vista, Mission Bay, Mission Valley and Serra Mesa. She is currently the chair of the City Council’s Natural Resources and Culture committee.

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